

**PRESS RELEASE**  
**MUSKEGON CITY MANAGER TO STEP DOWN**  
**City Manager Frank Peterson will step down as City Manager April 1, 2022**

For Immediate Release

February 10, 2022

City Manager Frank Peterson has announced his intent to step down as city manager effective April 1, 2022. Peterson has served as Muskegon's City Manager since September 2013 and has led the city's post-recession resurgence. Peterson's announcement is attached.

The Muskegon City Commission intends to appoint Deputy City Manager LeighAnn Mikesell as Interim City Manager at the February 22, 2022 regular City Commission meeting.

Mayor Ken Johnson provided the following statement:

*City Manager Peterson has served our community well for nearly nine years. He has provided much-needed leadership during some difficult times in our community, while also providing energy and passion during some exciting times. I'm grateful for his many contributions, which have incredibly enhanced our city. I will reflect fondly on our time working together in accomplishing so much, and wish him the very best in his future endeavors.*

*I have great confidence in Deputy City Manager LeighAnn Mikesell, as she steps in to lead our City through this transition. She is a bright, competent, and caring individual. Muskegon is fortunate to have her and so many other wonderful and dedicated people throughout our organization working in service to community and the betterment of our city.*

City Manager Frank Peterson provided the following statement:

*I could not be more grateful for my time in Muskegon. We have more than 250 people that come to work every day to make this community a great place to call home, and I am excited to watch them continue building Muskegon into very best community possible. Muskegon is home to my family, and I am excited to simply be a member of the community.*

February 10, 2022

Mayor and Commissioners  
City of Muskegon  
933 Terrace Street  
Muskegon, MI 49440

Mr. Mayor and Fellow Commissioners,

It has been an absolute pleasure working with and serving you and the City of Muskegon. As I have reminisced on the many great things we have accomplished together over the past nearly nine years, I can't help but feel an outpouring of pride. It's been an awesome experience! We have helped move Muskegon into a position of leadership in community and economic revitalization. We are exemplified and emulated by urban core cities across Michigan as a leader in how to build an economically sustainable and successful community.

Comparing today's Muskegon to that of 2013, the results of our leadership have been unimaginable:

1. We have helped Muskegon residents improve their financial position significantly. The Federal government measures this in a community by examining household income and property values (median income and median home value). We can make a quick and easy comparison of these numbers by looking at recent financial statements and equalization reports:
  - a. Income taxes paid by residents are up more than 31% since FY 2012-13. Resident income tax filers are earning on average 56% more today than in FY 2012-13.
  - b. Muskegon has led the County in residential property value growth (of existing properties) for each of the past four years. The soon-to-be-released numbers for the 2022 tax year indicate that residential properties in Muskegon grew in value in excess of 11% over the last 12 months. Comparing county equalization reports from 2013 to estimates for 2022, the City of Muskegon has added nearly \$300 Million in residential appreciation in 8 years. The average residential property was valued at \$50,280 in 2013, for 2022, that number will likely be well-above \$80,000. This is building sustainable generational wealth for our residents.
2. We have helped attract new people to live in the city that otherwise were very likely to live in the suburbs – resulting in significant positive impact on our local economy. A great example can be found on Mlive.com, when their reporting indicated that the 49440-zip code experienced the second fastest per capita income growth of all zip codes in the State of Michigan since the Great Recession; it was 162% income growth. This has resulted in significant growth among small businesses – especially downtown – and more tax dollars to maintain city facilities.
3. Many times, communities focus redevelopment efforts on their downtown with very little impact spreading to neighborhoods. Upon my arrival, I committed that our investments downtown would result in positive impact in our neighborhoods as long as we also made strategic investments in those neighborhoods. Rising property values is only one indicator of improvement. Throughout the city, every neighborhood is benefiting from the resurgence of Muskegon, and it can be experienced in many ways: public investments in streets, utilities, and parks, blight reduction, new housing starts, investments in existing homes, reduced crime, and fewer vacancies.

Items 1-3 above would likely have been enough for many community leaders to claim victory over the past eight years, but wealth creation and attraction were never our only indicators of a strong and sustainable community. Muskegon remains diverse and affordable to many people because our leadership has also been proactive in helping create affordable housing solutions that are good for the community. The Berkshire, 1021 Jefferson, and Samaritas' \$12 Million senior housing project were conceived and approved under our leadership at a time when so many were saying that we did not need any more subsidized housing. Our leadership helped many local leaders – including elected leaders and business leaders – see that housing affordability needed to be addressed in real time. We have also renovated numerous houses and built nearly 100 more – with hundreds now in the pipeline. This type of city-centric investment in Muskegon was unheard-of pre-2013.

While cities across the country struggled with police/community relations – in some cases resulting in riots and hostility – our leadership helped us focus more on meaningful dialogue. There were no riots in Muskegon. Further, when our community had the potential of being ripped apart by the choices of one police officer, we worked diligently to secure a mutually-agreeable exit strategy that ensured the citizenry had the outcome they demanded, and the city held harmless financially in a very difficult and highly-complex employment decision. Our actions even drew the attention of the nationally-syndicated news program *This American Life*, and was highlighted in an in-depth story in January.

We have also worked to get our financial house in order, beginning with stabilizing our pension system with a highly-effective bridge program. This program has since been emulated in communities across the State of Michigan. In approximately 2030, we will see the fruits of this change, as we officially free up millions of dollars annually in the City's General Fund to continue investing in our community. Our work reorganizing the fire department has provided the city's taxpayers with millions in savings without a noticeable impact on services - our City's ISO rating is currently at an all-time high. Our General Fund unassigned cash balance sits at \$9,121,955 as of June 30, 2021; in 2014, our General Fund had less than \$5 Million in reserves, and our five-year forecast estimated that we would exhaust those reserves by June 30, 2019. Instead of falling into deficit, we have more than doubled our reserves while still making significant and meaningful public investments throughout this great community.

I'm not sure we could count all of our amazing accomplishments if we tried. Muskegon is now a beacon of hope and a model for older urban post-industrial communities throughout the State of Michigan. We have demonstrated that great leadership can greatly impact the sustainability and viability of a community. We have built Muskegon's brand into something that is admired near and far – and we did this hand-in-hand with many people.

As much as I love Muskegon, and as much as I feel we have many more accomplishments ahead, I have decided to focus my career on other efforts. Today, I am making the difficult announcement that I should conclude my time as a leader here in Muskegon. I am confident with our current leadership that this will allow Muskegon to better-reach its full potential.

I hope that I have consistently met or exceeded your expectations as we worked hand in hand on many important issues, with my leadership as one of the catalysts for our community's growth and continued momentum. Together, we have earned the respect of our largest employers; earned the trust of our many philanthropists; garnered the attention of our most effective developers; and helped many residents, visitors, observers, and neighbors finally see Muskegon as a great place to live, work, play, and invest. We have done all of this with the great help and support of our amazing staff, in concert with our committed and caring elected officials

I thank each of you for taking a chance on me in 2013. I thank you for your support and friendship over these years. I thank you for your commitment to integrity and compassion toward our staff and our community. I don't plan on leaving Muskegon. I love the sense of community and vibrancy that we have created together, and I would be excited to continue to observe and cheer for our future as a resident of this great city.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Peterson", with a stylized, flowing script.

Franklin Peterson